More lawmakers in the House of Representatives signed a second letter Friday requesting federal regulators lower the 20% down payment on the qualified residential mortgage.

More than 150 lawmakers signed the original letter sent to regulators in May. However, when regulators delayed the comment period to Aug. 1. days before it was to end, organizers had another chance to push for a reduction. Rep. **John Campbell** (R-Calif.) and Brad Sherman (D-Calif.) circulated another letter to colleagues on June 13 asking for more signatures by June 16.

Roughly 240 lawmakers have now signed on, according to sources.

In April, federal regulators proposed the risk-retention rule as required under Dodd-Frank. According to the proposal, lenders will be forced to maintain 5% of the credit risk on loans bundled into mortgage-backed securities, except those loans that fit the QRM definition.

A mortgage is considered QRM if it fits a slew of requirements including new servicing standards and a 20% down payment from the borrower. Industry trade groups and consumer advocacy agencies immediately pushed back against the proposal, saying the rule would unnecessarily cut out credit-worthy borrowers.

"The resultant reduction in demand for housing, due to an overly burdensome government dictate, would only add to the challenges the housing market faces, and could threaten a full-fledged economic recovery from years to come," the letter reads.

Credit rating agency DBRS said the standards are already widespread in today's tighter credit environment, keeping originations down outside of refinancing activity.

Analysts at Capital Economics said the proposed risk retention rules will result in more lenders requiring a 20% down payment and it would lock more first-time buyers out of the market.

Half of all repeat buyers, analysts said, would not be able to use their home equity to raise a 20% down payment. Analyst said one-quarter of these borrowers are in negative equity and the rest have less than 20% of positive equity in their home.

"These constraints on demand are structural rather than cyclical, meaning that even faster employment and income growth over the next few years is unlikely to lead to anything more than modest rises in home sales," Capital Economics said.